



MTHONJANENI MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended
30 June 2009

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 34, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 19 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager

Date

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GENERAL INFORMATION

MEMBERS OF THE COUNCIL

Mr W.H. Harris	Mayor
Mr M.N. Biyela	Deputy Mayor
Mr B.D. Dlamini	Speaker
Mr H. Nxumalo	PR Exco Member
Mrs N A Jiyane	Ward Councilor
Mr B.E. Mhlongo	Ward Councilor
Mrs N.C. Mthlane	PR Councilor
Miss H.K.L. Zungu	PR Councilor
Mr E.M. Masikane	PR Councilor
Mr B.I. Nzuza	Ward Councilor
Mr M.M. Ngobese	Ward Councilor

GRADING OF LOCAL AUTHORITY

Grade 4

AUDITORS

Auditor-General

BANKERS

First National Bank

REGISTERED OFFICE

21 Reinhold Street	P O Box 11	Telephone: 035 450 2082
MELMOTH	MELMOTH	
	3835	

MUNICIPAL MANAGER

F A Els

CHIEF FINANCIAL OFFICER

M.J. Bowman : Licentiate Member of Institute of Municipal Finance Officers

APPROVAL OF FINANCIAL STATEMENTS

The Annual financial statements set out on pages 1 to 34 were approved by the Municipal Manager onand will be presented to and approved by Council on

MUNICIPAL MANAGER

Qualifications: BA (Law)
B Juris

CHIEF FINANCIAL OFFICER LIMFO

Qualifications: Certificate Programme in
Management Development for
Municipal Finance

REPORT OF THE AUDITOR GENERAL

REPORT OF THE CHIEF FINANCIAL OFFICER

1. OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2009 are as follows:

	Actual 2008	Actual 2009	Variance 2008/2009	Budget 2008/2009	Variance Budget Actual
	R	R	%	R	%
INCOME					
Opening Surplus	15 426 876	15 927 128			
Operating Income for the year	32 026 655	44 056 724	37.56	37 746 900	14.32
Sundry Transfers	1 643 950	1 333 387			
Closing Deficit		0		2 035 000	
	49 097 481	61 317 239		39 781 900	

	Actual 2008	Actual 2009	Variance 2008/2009	Budget 2008/2009	Variance Budget Actual
	R	R	%	R	%
EXPENDITURE					
Operating Expenditure for the year	33 170 353	42 121 345	26.98	39 781 900	5.55
Sundry Transfers	0	0			
Closing Surplus	15 927 128	19 195 894			
	49 097 481	61 317 239		39 781 900	

1.1 Rate and General Services

	Actual 2008	Actual 2009	Variance 2008/2009	Budget 2008/2009	Variance Budget Actual
	R	R	%	R	%
Income	26 009 084	35 492 223	36.46	29 785 037	16.08
Expenditure	26 819 527	33 715 152	25.71	30 785 037	8.69
Surplus (deficit)	2 221 909	1 777 071		-1 000 000	
Surplus (deficit) as % of Total Income	8.54	5.01			

1.2 Electricity Services

The prices for the purchase of electricity as well as postal and telecommunication charges, salaries and wages are subject to administered adjustments.

The following is a summary of the operating results of the Mthonjaneni Municipality Electricity Services:

	Actual 2008	Actual 2009	Variance 2008/2009	Budget 2008/2009	Variance Budget Actual
	R	R	%	R	%
Income	6 017 571	8 564 501	42.32	7 961 863	7.04
Expenditure	6 350 826	8 406 193	32.36	8 996 863	-7.03
Surplus (deficit)	-333 255	158 308		-1 035 000	
Surplus (deficit) as % of Total Income	-5.54	1.85			

Resources used to finance the fixed assets were as follows:

2. CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets incurred during the year amounted to R 11 483 461

	Actual 2008/2009	Budget 2008/2009	Actual 2007/2008
	R	R	R
Roads	5 936 587	5 345 000	45 311
Building	4 415 057	2 704 000	2 910 760
Other Infrastructure	987 898	975 000	538 857
Other Fixed Assets	143 919	170 400	372 427
Vehicles	0	0	444 857
	11 483 461	9 194 400	4 312 212

1) Source of Financing

	Actual 2009	Actual 2008
	R	R
Contribution from Operating Income	1 131 817	1 393 503
Grants and Subsidies	10 351 644	2 918 709
Surplus Revenue		
	11 483 461	4 312 212

3. FUNDS, RESERVES AND PROVISIONS

The movement regarding external loans is given in appendix A.

4. A WORD FROM THE CHIEF FINANCIAL OFFICER

I would like to thank the Mayor and members of the Executive Committee and other Councillors, the Municipal Manager and Departmental Heads for the support they have given me and my personnel during the year. A special word of appreciation to the personnel of the Finance Department for their continual commitment.

MR. M.J. BOWMAN
CHIEF FINANCIAL OFFICER

Date:.....

MTHONJANENI MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

	Note	2009 R	2008 R
NET ASSETS AND LIABILITIES			
Net Assets		52 556 818	39 137 978
Accumulated Surplus/(deficit)	2	21 198 972	15 927 126
Capitalisation reserve		13 473 858	6 938 201
Government grant reserve		17 874 022	16 256 536
Donations and Public reserve		9 966	16 115
Non-current liabilities		0	0
Current liabilities		7 551 929	8 094 936
Consumer deposits	3	504 856	486 813
Current Provisions	4	209 183	146 530
Creditors	5	6 837 890	7 461 593
Total Net Assets and Liabilities		60 108 747	47 232 914
ASSETS			
Non-current assets		31 357 846	21 207 772
Property, Plant and Equipment	6	31 357 846	21 207 772
Long-term receivables	8		0
Current Assets		28 750 901	26 025 142
Inventory	9	245 952	274 252
Investments	7	24 540 000	23 000 000
Consumer debtors	10	1 968 004	2 068 733
Other debtors	11	787 803	388 666
Current portion of long-term debtors	8		0
Bank balance and cash	12	1 209 142	293 491
Total		60 108 747	47 232 914

(Note: The Statement of Financial Position has been prepared in accordance with GRAP 1)

MTHONJANENI MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30th JUNE 2009

Budget			Actual	
2008 R	2009 R	Note	2009 R	2008 R
REVENUE				
3 300 000	3 380 000	Property rates	13 5 174 567	4 765 914
350 000	350 000	Property rates - penalties imposed and collection charges	254 244	266 807
5 636 000	7 354 000	Service charges	14 8 202 862	5 994 844
379 000	417 000	Rental of facilities and equipment	325 998	333 447
1 326 114	1 500 000	Interest earned - external investments	2 917 382	2 387 382
500 000	170 000	Fines	139 716	113 564
2 790 000	2 100 000	Licences and permits	1 771 074	1 726 821
18 244 000	21 665 000	Government grants and subsidies	15 24 067 388	15 795 530
2 468 040	810 900	Other income	16 1 203 493	642 346
34 993 154	37 746 900	Total Revenue	44 056 724	32 026 655
EXPENDITURE				
9 144 500	9 718 000	Employee related costs	17 9 290 249	8 319 076
1 941 174	2 135 300	Remuneration of Councillors	19 2 110 019	1 899 747
55 000	55 000	Collection costs	3 890	2 343
1 599 000	1 946 700	Repairs and maintenance	1 519 140	1 158 840
3 700 000	5 130 000	Bulk purchases	21 5 159 598	3 910 884
152 000	194 500	Service charges	192 644	119 618
19 976 480	20 052 400	General expenses - other (including abnormal expenses)	24 23 704 847	17 556 588
485 000	550 000	Contributions to provisions	140 958	203 257
37 053 154	39 781 900	Total Expenditure	42 121 345	33 170 353
-2 060 000	-2 035 000	NET SURPLUS/(DEFICIT) FOR THE YEAR	1 935 379	-1 143 698
		Appropriations	0	0
		TOTAL NET SURPLUS / (DEFICIT)	1 935 379	-1 143 698
Refer to Appendix E(1) for explanation of variances				

(Note: The income statement has been prepared in accordance in GRAP 1 and the budget formats)

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	<u>Capitalisation Reserve</u>	<u>Government Grant Reserve</u>	<u>Donations and Public Contribution Reserve</u>	<u>Accumulated Surplus/ (Deficit)</u>	<u>Total</u>
	R	R	R	R	
Balance at 30 June 2008	6 938 201	16 256 536	16 115	15 927 127	39 137 979
Refund - Land Sale					
Reallocation of financing assets	6 379 103	-8 377 933	-4 250	2 003 080	0
Net surplus for the year				1 935 379	1 935 379
Transfer to CRR					
Property, plant and equipment purchased					
Capital grants used to purchase PPE	1 123 067	10 360 394			11 483 461
Donated/contributed PPE					
Contributed to Insurance Reserve					
Insurance claims processed					
Transfer to Housing Development Fund					
Assets disposals					
Offsetting of depreciation	-966 513	-364 975	-1 899	1 333 387	
Balance at 30 June 2009	13 473 858	17 874 022	9 966	21 198 973	52 556 819

MTHONJANENI MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		39 068 890	29 520 482
Cash paid to suppliers and employees		-28 065 204	-27 194 146
Cash generated from operations	22	11 003 686	2 326 336
Interest received		2 917 382	2 387 382
Interest paid			
NET CASH FROM OPERATING ACTIVITIES	(A)	13 921 068	4 713 718
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	-11 483 461	-4 312 212
Proceeds on disposal of fixed assets		0	0
Decreases in non-current loans	8	0	0
Increases in investments	7	-1 540 000	-13 261 000
NET CASH FROM INVESTING ACTIVITIES	(B)	-13 023 461	-17 573 212
CASH FLOWS FROM FINANCING ACTIVITIES			
Net loans raised		0	0
Increase in consumer deposits		18 044	-3 576
Increase in Trust Fund			
	(C)	18 044	-3 576
NET CASH INCREASE/(DECREASE) FROM FINANCING ACTIVITIES (A + B + C)		915 651	-12 863 070
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		293 491	13 156 561
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23	1 209 142	293 491

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below and are consistent with those of the previous financial year.

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP) and Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

The standards are summarised as follows:

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GAMAP 4	Effects of changes in foreign exchange rates
GAMAP 9	Revenue
GAMAP 7	Accounting for investments in associates
GAMAP 8	Financial reporting of interests in joint ventures
GAMAP 12	Inventories
GAMAP 17	Property, plant and equipment
GAMAP 19	Provision, contingent liabilities and contingent assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP and/or GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SAGAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted are disclosed below.

1.2 CONSOLIDATION

The balance sheet includes the Rate and General Services, Trading Services and the different funds, reserves and provisions. All inter departmental charges are set-off against each other, which are treated as income and expenditure in the respective departments.

1.3 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

1.4 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.5 RESERVES

1.5.1 Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisations Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit). The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.5.2 *Government Grant Reserve*

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit). When an item of property, plant and equipment financed from the government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.5.3 *Donations and Public Contributions Reserve*

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the donations and Public Contributions Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring the sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions. When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.6 PROPERTY, PLANT AND EQUIPMENT

1.6.1 Fixed Assets are stated:

at valuation (based on the market value price at date of acquisition), where assets have been acquired by grant or donation. While they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Chief Financial Officer.

1.6.2 Property, Plant and Equipment

Property, plant and equipment, is stated at cost, less accumulated depreciation, except land and buildings, which are revalued as indicated assets, defined as culturally significant resources, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life. Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:-

	<u>Years</u>	<u>Other</u>	<u>Years</u>
Infrastructure			
Roads and Paving	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	6
		Office equipment	3-7
Community			
		Furniture & fittings	7-10
Security	5	Bins and containers	5
		Specialized plant and equipment	10-15
		Other items of plant and equipment	

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

- 1.6.3 Capital assets are financed from different sources, including external loans, operating income, accumulated surplus. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances.
- 1.6.4 Capital assets sold or disposed of, the net proceedings will be used to finance further capital assets.
- 1.6.5 The Municipality has taken advantage of the transitional period set out in GAMAP 17 and the exemption has been permitted by the Minister of Finance, in terms of notice 552 of 2007, and confirmed by National Treasury on 19 November 2007.

1.7 ACCUMULATED SURPLUS

Provision can be made from the accumulated surplus for future capital projects included in the integrated development plan, infrastructure and other items of property plant and equipment.

1.8 RETIREMENT BENEFITS

Melmoth and its employees contribute to R.S.A. Municipal Pension Fund and Councillors contribute to the Municipal Councillors Pension Fund which provides retirement benefits to such employees and Councillors.

The retirement benefit plan is subject to the Pensions Funds Act, 1956, with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service costs. Favourable experience adjustments are retained in the retirement benefit plan.

Full actuarial valuations are performed at least every three years.

1.9 SURPLUSES AND DEFICITS

Any surpluses or deficits arising from the operation of the Electricity are retained in that service for its own use.

1.10 INVESTMENTS

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short - term deposit invested in registered commercial banks, are stated at cost.

When investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of Financial Performance.

1.11 REVENUE RECOGNITION

- 1.11.1 Revenue from rates is recognized when the legal entitlement to this revenue arises. Collection charges are recognized when such amounts are legally enforceable. Interest on unpaid rates is recognized on a time proportion basis.

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognized as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognized as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognized as revenue in the invoicing period. Revenue from the sale of electricity prepaid meter cards are recognized at the point of sale and not when prepaid electricity is consumed. Revenue from the sale of goods is recognized when the risk is passed to the consumer. Revenue arising from the application of the approved tariff of charges is generally recognized when the relevant service is rendered. Interest and rentals are recognized on a time proportion basis. Revenue from spot fines is recognized when payment is received, and the revenue from the issuing of summonses is only recognized when collected. Government grants are recognized as revenue when all conditions associated with the grant have been met. Where grants have been received but the municipality has not met the condition, a liability is raised. Amounts received from government and donors for the purpose of acquiring items of property, plant and equipment are also recognized as revenue.

- 1.11.2 Pensioners who own and occupy rateable property whose joint gross monthly income does not exceed the amounts set out hereunder shall qualify for the rebates reflected:

Joint Gross Monthly Income	Rebate
0 - 3 000	90%
3 001 - 4 000	80%
4 001 - 5 000	70%
5 001 - 6 000	50%

- 1.11.3 Pensioners who own but do not occupy rateable property whose joint gross income does not exceed the amount set out hereunder shall qualify for the rebate reflected:

Joint Gross Monthly Income	Rebate
0 - 3 000	20%

1.12 PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate.

1.13 INVENTORIES

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realizable value. In general, the basis of determining cost is the first-in, first-out method.

Unsold properties are valued at the lower of cost and net realizable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Redundant and slow-moving inventories are identified and written down and regard to their estimated economic or realizable values. Consumables are written down with regard to their age, condition and utility.

1.14 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

1.15 ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on debtors outstanding for more than 90 days for electricity and refuse debtors. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

1.16 TRADE CREDITORS

Trade creditors are stated at their nominal value.

1.17 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.18 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statements of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.19 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance.

1.20 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 COMPARATIVE INFORMATION

1.21.1 *Current year comparatives:*

Budgeted amounts have been included in the annual financial statements of the current financial year only.

1.21.2 *Prior year comparatives:*

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

MTHONJANENI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
2. ACCUMULATED SURPLUSES		
Rate and General	15 061 985	10 261 952
Electricity	6 136 987	5 665 174
Total Reserves	21 198 972	15 927 126

3. CONSUMER DEPOSITS

Electricity	410 897	406 536
Other	93 959	80 277
Total Consumer Deposits	504 856	486 813

Consumers who do not own the property are required to pay a deposit equating to two months consumption of electricity service.

4. CURRENT PROVISIONS

Leave	209 183	146 530
Total Provisions	209 183	146 530

5. CREDITORS

Trade creditors	1 564 259	3 168 620
Payments in advance	414 027	409 911
Unspent Conditional Grants	4 809 015	3 854 506
Other creditors	50 589	28 556
Total Creditors	6 837 890	7 461 593

MTHONJANENI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

6. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Infrastructure	Community	Other	Total
	R	R	R	R	R
Carrying values at 30 June 2008		8 985 321	9 236 262	2 986 189	21 207 772
Cost or valuation		10 615 818	10 403 890	6 885 522	27 905 230
Accumulated depreciation		(1 630 497)	(1 167 628)	(3 899 333)	(6 697 458)
Acquisitions	-	602 152	3 887 579	1 131 817	5 621 548
Under Construction		5 334 435	527 478		5 861 913
Depreciation	-	(463 543)	(337 033)	(532 811)	(1 333 387)
Carrying values at 30 June 2009	-	14 458 365	13 314 286	3 585 195	31 357 846
Cost or valuation	-	16 552 405	14 818 947	8 017 339	39 388 691
Accumulated depreciation	-	(2 094 040)	(1 504 661)	(4 432 144)	(8 030 845)

Refer to Appendix B for more detail on property, plant and equipment.

7. INVESTMENTS

	2009	2008
	R	R
Financial Instruments		
Short Term Deposits	22 526 204	20 986 204
Call Deposits	2 013 796	2 013 796
Total	24 540 000	23 000 000

8. NON-CURRENT LOANS

Melmoth Golf Club	0
Less: Current portion of long-term debtors	0
Long-term receivables	0

Melmoth Golf Club - has been transferred to Sundry Debtors as this Loan is to be paid off this year with the net profit from the sale of properties which forms part of the Melmoth Golf Clubs lease with the Municipality.

0 0

9. INVENTORY

Inventory represents consumable store and raw materials at cost	245 952	274 252
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MTHONJANENI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
10. CONSUMER DEBTORS		
Service debtors	2 415 767	2 516 496
Rates	1 569 797	1 778 146
Electricity	638 349	424 688
Refuse	207 621	313 662
Less: Provision for bad debts	447 763	447 763
Total	1 968 004	2 068 733

Rates: Ageing

Current (0-30 days)	-115 443	-88 826
31-60 Days	201	189 897
61-90 Days	89 215	79 674
91-120 Days	78 259	74 536
150+	1 517 565	1 522 865
Total	1 569 797	1 778 146

(Electricity, Refuse): Ageing

Current (0-30 days)	522 458	309 769
31-60 Days	13 865	47 980
61-90 Days	10 417	30 537
91-120 Days	299 230	350 064
Total	845 970	738 350

Summary of Debtors 30 June 2007

Consumers

	R	
Current (0-30 days)	407 015	220 943
31-60 Days	14 066	237 877
61-90 Days	99 632	110 211
91-120 Days	377 489	424 600
150+	1 517 565	1 522 865
Sub-total	2 415 767	2 516 496
Less: Provision for bad debts	447 763	447 763
Total debtors by customer classification	1 968 004	2 068 733

11. OTHER DEBTORS

Sundry Debtors	787 803	388 666
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MTHONJANENI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R

The Municipality has the following bank accounts:

12. Bank Balance and Cash

Current Account (Primary Bank Account)

First National Bank - Melmoth
 Account Number 54980006117

Cash book balance at beginning of year	292 770	13 156 040
Cash book balance at end of year	<u>1 208 421</u>	<u>292 770</u>
Bank statement balance at beginning of year	573 292	13 930 418
Bank statement balance at end of year	<u>2 655 115</u>	<u>573 292</u>
Cash on hand - Petty cash	721	521

Note needs to be made that First National Bank is the only bank in Melmoth that has a Manager in attendance at the branch. Standard Bank has an agency in Melmoth, therefore the tender process was not followed through on the primary bank account.

13. PROPERTY RATES

Actual

Residential	1 264 239	1 113 729
Commercial	1 158 383	984 757
State	693 145	560 542
Municipal	0	0
Agriculture	225 696	317 980
Other	65 190	60 945
Total	<u>3 406 653</u>	<u>3 037 953</u>

Valuations

	<u>July 2007</u>	<u>July 2006</u>
	<u>R 000's</u>	<u>R 000's</u>
Residential	119 725	115 262
Commercial	94 177	93 508
State	70 442	66 536
Municipal	12 539	12 336
Agriculture	109 929	109 929
Other	10 571	10 571
Total Property Valuations	<u>417 383</u>	<u>408 142</u>

The Municipal Property Rates Act No. 6 of 2004 was implemented from July 2007. Valuation date of roll is 1 July 2006

A general rate of 1.23c/R (2007: 1.15c/R) was levied on all properties.

Rebates in terms of the above act were also implemented.

Rates were levied on a monthly basis.

Interest at 18% per annum is levied on outstanding rates.

Pensioners received a rebate according to their income.

ASSESSMENT RATES

rates levied	5 137 501	4 693 639
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REBATES

Compulsory

new properties: agriculture	-314 770	-882 993
State	-36 782	-51 585
Other	-64 587	-90 580

Council Granted

Residential	-227 981	-211 790
State	-173 286	-153 032
Municipal	-154 230	-141 870
Agriculture	-709 921	-63 209
worship	-68 523	-60 622
rounding	-3	-5

	<u>3 387 418</u>	<u>3 037 953</u>
--	-------------------------	-------------------------

Supplementary roll	41 196	53 240
--------------------	--------	--------

Adjustments	-21 961	13 117
	-4130	
	<u>3 402 523</u>	<u>3 104 310</u>

Shown in Statements as: Income	5 174 567	4 765 914
Expenditure	1 772 044	1 661 604
	<u>3 402 523</u>	<u>3 104 310</u>

MTHONJANENI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
14. SERVICE CHARGES		
Sale of electricity	7 373 233	5 217 078
Refuse removal	829 629	777 767
Total Service Charges	8 202 862	5 994 844
15. GOVERNMENT GRANTS AND SUBSIDIES		
Equitable share	11 532 407	8 756 665
Finance Management	985 235	732 576
Provincial health subsidies	715 723	689 190
Municipal Systems Improvement	2 113 527	1 606 819
Provincial Grants	2 474 843	2 373 479
MIG Grants	6 245 653	1 636 801
		0
Total Government Grant and Subsidies	24 067 388	15 795 530

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive an average monthly subsidy of R90 (2006: R90.00), which is funded from this grant.

MTHONJANENI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
Provincial Health Subsidies		
Balance unspent at beginning of year		0
Current year receipts - included in public health vote (see Appendix D)	715 723	689 190
Conditions met - transferred to revenue		

The Municipality renders health services on behalf of the Provincial Government and is refunded most of total expenditure incurred. This grant has been used exclusively to fund clinic services. The conditions of the grant have been met.
There was no delay or withholding of the subsidy.

16. OTHER INCOME

Other income	1 203 493	642 346
Total Interest Income		

17. EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	7 982 326	7 064 491
Employee related costs - Allowances	101 656	77 272
Employee related costs - Pension	670 763	631 003
Employee related costs - Medical Aid	277 651	281 444
Employee related costs - UIF	66 744	55 867
Employee related costs - Performance Bonus	191 109	208 999
Total Employee Related Costs	9 290 249	8 319 076

MTHONJANENI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
18. REMUNERATION OF MUNICIPAL MANAGER		
Annual Remuneration	539 141	497 822
Performance Bonuses	69 695	74 838
Total	608 836	572 660

REMUNERATION OF CHIEF FINANCIAL OFFICER

Annual Remuneration	483 669	446 601
Performance Bonuses	62 524	68 251
Car Allowance	0	0
Total	546 193	514 852

REMUNERATION DIRECTOR CORPORATE AND COMMUNITY SERVICES

Annual Remuneration	483 669	420 641
Performance Bonus	58 890	65 910
Total	542 559	486 551

19. REMUNERATION OF COUNCILLORS

	2009	2007
Mayor	142 084	179 000
Deputy Mayor	173 130	116 265
Speaker	159 302	124 221
Exco Committee member	142 684	125 713
Councillors	732 335	642 511
Councillors' pension contribution + Medical Aid + Allowances	760 484	712 037
Total Councillors' Remuneration	2 110 019	1 899 747

In-kind Benefits

The Mayor, Deputy Mayor, Speaker and Committee

Members are part-time. They are provided with an office and secretarial support at the cost of the Council.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are in accordance with the Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with that Act.

Signed: Municipal Manager

MTHONJANENI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
20. BAD DEBTS		
Contribution to the bad debt provision	0	110 000
Bad debts written off		0
Total Bad Debts	0	110 000
21. BULK PURCHASES		
Electricity	5 347 757	3 910 884
Total Bulk Purchases	5 347 757	3 910 884
22. CASH GENERATED BY OPERATIONS		
Net surplus for the year	1 935 379	-1 425 441
Adjustment for:-		0
Depreciation	1 333 387	1 643 949
property, plant and equipment	11 483 461	4 312 212
Contribution to provisions - non-current/Expenditure Against Provisions		0
Contribution to provisions - current	62 653	318 378
Contribution to bad debt provision	0	110 000
Investment income	-2 917 382	-2 387 382
Interest paid		0
Operating surplus before working capital changes:	11 897 498	2 571 716
Increase in inventories	28 300	-175 801
Decrease in debtors	100 729	168 877
Increase in provisions	0	0
Decrease in other debtors	-399 137	160 162
Increase/Decrease in conditional grants and receipts	954 509	-250 177
Increase/Decrease in creditors	-1 578 213	-148 441
Cash generated by operations	11 003 686	2 326 336
23. CASH AND CASH EQUIVALENTS		
Balance at the end of the year	1 209 142	293 491
Balance at the beginning of the year	293 491	13 156 561
Net increase/(decrease) in cash and cash equivalents	915 651	-12 863 070
24. GENERAL EXPENSES	23 704 847	17 556 588
25. CORRECTION OF AN ERROR		
	0	0
26. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	0	0

MTHONJANENI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
27. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
<u>27.1 Contributions to SALGA</u>		
Opening balance		0
Council subscriptions	22 633	23 352
Amount paid - current year	(22 633)	-23 352
Amount paid - previous years	0	0
Balance unpaid	0	0
<u>27.2 Audit fees</u>		
Opening balance	0	0
Current year audit fee	395 264	333 907
Amount paid - current year	(395 264)	-333 907
Amount paid - previous year		0
Balance unpaid	0	0
<u>27.3 VAT</u>		
VAT is payable on the invoice basis.	0	0
All VAT returns have been submitted by the due date throughout the year.		
May and June 2008 have been brought to account.		
<u>27.4 PAYE and UIF</u>		
Opening balance		0
Current year payroll deductions	1 541 317	1 351 077
Amount paid - current year	(1 541 317)	-1 351 077
Amount paid - previous year	0	0
Balance unpaid	0	0
<u>27.5 Pension and Medical Aid Deductions</u>		
Opening balance		0
Current year payroll deductions and Council Contributions	1 794 595	1 668 082
Amount paid - current year	(1 794 595)	-1 668 082
Amount paid - previous year	0	0
Balance unpaid	0	0
<u>27.6 Non-Compliance with Chapter 11 of the Municipal Finance Management Act</u>		
The Municipality adopted its supply chain management Policy on 15th February 2006		

MTHONJANENI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
30th June 2008		
27.7 Councillor's arrear debtor's		
At year end the following Councillor had arrear account outstanding for more than 90 days.		
The arrear amount, had arisen due to personal legal processes not been finalised.		
The Speaker has been made aware of the debt.		
Clr Mrs. Jiyane	7 210	4 230
28. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved but not yet contracted for		
Infrastructure	10 797 000	7 948 242
Community		
Heritage		
Other		
Housing Development Fund		
Investment Properties		
Total	10 797 000	7 948 242
This expenditure will be financed from:		
- External Loans		
- Asset Financing Reserve		
- Government Grant	10 797 000	7 948 242
- Internal Cash		
- District Council Grants		
	10 797 000	7 948 242
29. RETIREMENT BENEFITS		
The last statutory valuation of the funds were as follows:		
1. Superannuation 31 March 2007	4 451 200 000	3 340 019 000
2. Provident 31 March 2007	604 849 000	420 254 000
3. Retirement Annuity 31 March 2007	1 571 700 000	1 147 657 000
An amount of R1,299 312 (2008:R1 186 524) was contributed by staff and council in respect of retirement funding. These contributions have been expensed.		
30. CONTINGENT LIABILITIES	0	50 000
Eastern Drilling Testing has served a summons on Mthonjaneni Municipality for Professional services rendered and materials supplied. Wynne & Wynne our attorneys are representing us regarding litigation and claims. Management has no knowledge of any amount due to the plaintiff, no order or letter of appointment has been issued. Management feel confident that this amount is not owing by the Mthonjaneni Municipality.		
31. CONTINGENT ASSETS	0	0
32. IN KIND DONATIONS AND ASSISTANCE	0	0
33. PRIVATE PUBLIC PARTNERSHIPS		
There are no Private Public Partnerships		

MTHONJANENI MUNICIPALITY

APPENDIX A
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

**EXTERNAL
LOANS**

Balance 30.06.2008	Received during the year		Redeemed during the year		Balance 30.06.2009
0	0		0		0

APPENDIX B

MTHONJANENI MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost				Accumulated Depreciation						
	Opening	Additions	Under	Disposals	Closing	Opening	Additions	Disposals	Closing	Carrying	Budget
	Balance	Construction			Balance	Balance			Balance	Value	Additions
	30-Jun-08				30-Jun-09	30-Jun-08			30-Jun-09	30-Jun-09	2009
Roads	4 345 706	602 152	5 334 435		10 282 293	368 993	150 037		519 030	9 763 263	5 345 000
Electricity	6 270 112	987 898			7 258 010	1 261 503	313 506		1 575 009	5 683 001	975 000
Clinic	656 356				656 356	109 393	21 878		131 271	525 085	
Libraries	679 977				679 977	113 330	22 666		135 996	543 981	
Land & Buildings	10 157 133	3 887 579	527 478		14 572 190	1 043 791	328 929		1 372 720	13 199 470	2 704 000
Landfil sites	143 630	0	0	0	143 630	23 938	4 788	0	28 726	114 904	
Office Equipment	759 778	57 131		0	816 909	397 074	117 278	0	514 352	302 557	55 000
Furniture & Fittings	521 196	0		0	521 196	99 877	51 675	0	151 552	369 644	2 400
Motor Vehicles	2 676 976	0		0	2 676 976	1 680 431	291 838	0	1 972 269	704 707	0
Plant and equipment	1 694 365	86 788		0	1 781 153	1 599 127	30 792	0	1 629 919	151 234	113 000
	27 905 229	5 621 548	5 861 913	0	39 388 690	6 697 457	1 333 387	0	8 030 844	31 357 846	9 194 400

EXPLANATORY NOTES: APPENDIX B

This Appendix sets out more information on Property, Plant and Equipment.
It serves as the reconciliation of Property, Plant and Equipment referred to in GAMAP 17.
The latest approved budget must also be included in this Appendix as illustrated.

APPENDIX C

MTHONJANENI MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	WITONGAN MORONG REHT: SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009									
	Cost				Accumulated Depreciation					
	Opening	Additions	Under	Disposals	Closing	Opening	Additions	Disposals	Closing	Carrying
	Balance		Construction		Balance	Balance			Balance	Value
	30-Jun-07					30-Jun-07				
Finance & Admin	433 589	29 679			463 268	158 671	39 486		198 157	265 111
Corporate Services	1 170 589	16 085			1 186 674	146 592	49 026		195 618	991 056
Health	757 623	0			757 623	158 057	33 733		191 790	565 833
Community & Social Services	1 062 813	0	0		1 062 813	174 530	75 910		250 440	812 373
Executive & Council	5 285 533	3 887 579	527 478		9 700 590	607 626	207 812		815 438	8 885 152
Public Safety	4 732 362	50 626			4 782 988	1 094 600	272 473		1 367 073	3 415 915
Sport & Recreation	791 160				791 160	124 808	26 372		151 180	639 980
Technical Services	58 351				58 351	28 615	8 941		37 556	20 795
Stores & Workshop	2 997 388	47 529			3 044 917	2 573 461	156 091		2 729 552	315 365
Roads	4 345 706	602 152	5 334 435		10 282 293	368 993	150 037		519 030	9 763 263
Electricity	6 270 115	987 898			7 258 013	1 261 504	313 506		1 575 010	5 683 003
Total	27 905 229	5 621 548	5 861 913	0	39 388 690	6 697 457	1 333 387	0	8 030 844	31 357 846

EXPLANATORY NOTES: APPENDIX C

This is a segmental analysis of Property, Plant and Equipment. The standard GFS classifications set out in the Budget Reforms have been used. However, the segments used can be the organisational structure of the Municipality. The totals of Appendix C must agree to those in Appendix B.

APPENDIX D

MTHONJANENI MUNICIPALITY: SEGMENTAL INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R		2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R
4 765 914	1 661 604	3 104 310	1 Assessment Rates	5 174 567	1 772 044	3 402 523
1 640 405	3 292 714	-1 652 309	A1 Executive and Council	2 423 955	3 277 301	-853 346
10 586 719	6 330 397	4 256 322	A5 Finance & Admin	13 585 935	7 728 810	5 857 125
689 190	802 098	-112 908	C1 Health	715 723	835 676	-119 953
2 585 035	9 011 145	-6 426 110	B1 Community & Social Services	3 158 809	9 750 555	-6 591 746
340 000	307 482	32 518	B5 Public Safety	340 000	279 465	60 535
3 939 054	4 288 212	-349 158	C5 Road Transport	8 763 605	8 843 766	-80 161
			6 Sport & Recreation			
			7 Environmental Protection			
1 462 767	1 125 875	336 892	D1 Waste Management	1 329 629	1 227 535	102 094
			9 Cemetery			
6 017 571	6 350 826	-333 255	D5 Electricity	8 564 501	8 406 193	158 308
32 026 655	33 170 353	-1 143 698	Sub Total	44 056 724	42 121 345	1 935 379
			Less: Inter-Dep Charges			
32 026 655	33 170 353	-1 143 698	TOTAL	44 056 724	42 121 345	1 935 379

EXPLANATORY NOTES: APPENDIX D

This is a segmental income statement. The standard GFS classifications set out in the Budget Reforms have been used. However, the segments used can be the organisational structure of the Municipality.

APPENDIX E 1

MTHONJANENI MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009

REVENUE		2009	2009	2009	2009	Explanation of Significant Variances
		Actual (R)	Budget (R)	Variance (R)	Variance (%)	greater than 10% versus Budget

Property rates	1	5 174 567	3 380 000	-1 794 567	53.09	R 1772 044 income foregone
Property rates - penalties imposed and collection charges	2	254 244	350 000	95 756	-27.36	
Service charges	3	8 202 862	7 354 000	-848 862	11.54	
Rental of facilities and equipment	4	325 998	417 000	91 002	-21.82	
Interest earned - external investments	5	2 917 382	1 500 000	-1 417 382	94.49	Increase in Investments
Fines	6	139 716	170 000	30 284	-17.81	
Licences and permits	7	1 771 074	2 100 000	328 926	-15.66	
Income for agency services						
Government grants and subsidies	8	24 067 388	21 665 000	-2 402 388	11.09	R 1000 000 iro 2009/10 MIG; R 375 000 Dept of Sport
Other income	9	1 203 493	810 900	-392 593	48.41	Various
Public contributions, donated/contributed						
Gains on disposal of property, plant and equipment						
Total Revenue		44 056 724	37 746 900	-6 309 824	16.72	
EXPENDITURE						
Employee related costs	10	9 290 249	9 718 000	427 751	-4.40	
Remuneration of Councillors	11	2 110 019	2 135 300	25 281	-1.18	
Bad Debts	12	0	150 000	150 000	-100.00	
Collection Costs	13	3 890	55 000	51 110	-92.93	Collection of Legal Fees
Depreciation		1 333 387	1 700 000	366 613	-21.57	
Repairs and Maintenance	14	1 519 140	1 946 700	427 560	-21.96	Procurement Planning
Interest on external borrowings						
Bulk purchases	15	5 159 598	5 130 000	-29 598	0.58	
Contracted services	19	572 128	594 000	21 872	-3.68	
Grants and subsidies paid	16	251 020	300 000	48 980	-16.33	
General expenses - other (including abnormal expenses)	17	21 740 956	17 652 900	-4 088 056	23.16	grants
Contributions to/provisions	18	140 958	400 000	259 042	-64.76	
Loss on disposal of property, plant and equipment						
Total Expenditure		42 121 345	39 781 900	-2 339 445	5.88	
NET SURPLUS / (DEFICIT) FOR THE YEAR		1 935 379	-2 035 000	-3 970 379		

Appropriations

0

TOTAL NET SURPLUS / (DEFICIT)**1 935 379**

APPENDIX E 2(i)

MTHONJANENI MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009

	<u>2009</u> <u>Actual</u>	<u>2009</u> <u>Under</u> <u>Construction</u>	<u>2009</u> <u>Total</u> <u>Additions</u>	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Variance</u>	<u>2009</u> <u>Variance</u>	<u>Explanation of Significant Variances</u> <u>Greater than 5% versus Budget</u>
	R	R	R	R	R	%	<i>(Explanations to be recorded)</i>
Land and Buildings							
Land							
Buildings							
Infrastructure							
Drains							
Roads	602 152	5 334 435	5 936 587	5 345 000	-11.06	0.00	MIG 2008/09 approval granted
Beach Improvements							
Sewerage Mains & Purification							
Electricity Mains	987 898		987 898	975 000	-1.43	0.00	
Electricity Peak Load Equip							
Water Mains & Purification							
Reservoirs - Water							
Water Meters							
Water Mains							
Community Assets							
Parks & Gardens							
Libraries							
Recreation Grounds							
Civic Buildings	3 887 579	527 478	4 415 057	2 704 000	-63.28	0.00	Allocation of LED Expenditure work in progress
Heritage Assets							
Historical Buildings							
Painting & Art Galleries							
Total carried forward	5 477 629	5 861 913	11 339 542	9 024 000			

APPENDIX E 2(ii)

MTHONJANENI MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009

	<u>2009</u> <u>Actual</u>	<u>2009</u> <u>Under</u> <u>Construction</u>	<u>2009</u> <u>Total</u> <u>Additions</u>	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Variance</u>	<u>2009</u> <u>Variance</u>	<u>Explanation of Significant Variances</u> <u>Greater than 5% versus Budget</u>
	R	R	R	R	R	%	<i>(Explanations to be recorded)</i>
Total brought forward	5 477 629	5 861 913	11 339 542	9 024 000			
Housing Rental Stock							
Housing Rental 1							
Housing Rental 2							
Leased Assets (Infrastructure)							
Sewerage Mains & Purify							
Other Assets							
Land							
Buildings							
Landfill sites							
Office Equipment	57 131		57 131	55 000	-3.87		
Furniture & Fittings	0		0	2 400	0.00		
Bins and Containers							
Emergency Equipment							
Motor Vehicles	0		0	0	0.00		
Fire Engines							
Refuse Tankers							
Computer Equipment							
Councillors Regalia							
Conservancy tankers							
Plant & Equipment	86 788		86 788	113 000	23.20		
Refuse Tractor							
Refuse Trailer							
Total	5 621 548	5 861 913	11 483 461	9 194 400	90.63		

APPENDIX G
MTHONJANENI MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003
AS AT 30 JUNE 2009

Name of Grants	Name of origin of state or municipal entity	Grant and Subsidies Received Quarterly Reports						Quarterly Expenditure						Grants and Subsidies delayed/withheld					Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		Mar-08	June	Sept	Dec	Mar-09	Jun-09	Mar-08	June	Sept	Dec	Mar-09	Jun-09	March	June	Sept	Dec	March			
		000	000	000	000	000	000	000	000	000	000	000	000							Yes/No	
MFMA	TREASURY			500				43	147	42	73	62	113							Yes	
HEALTH	PROV.	124		160	170	207	139	124	160	170	207	139	174							Yes	
LUMS	PROV.								0	3		99								Yes	
PMS	PROV.	0						4	49	23	25	0	0						finished	Yes	
MDPCB	PROV.							14	14	2		0	0							Yes	
IDP	PROV.							39	0	0	0	0							finished	Yes	
MSIG	TREASURY			735	0			61	69	24	131	51	150							Yes	
DISCB	PROV.	0								13	5	55	27							Yes	
VALUATIONS	PROV.							1	0	0	0	3								Yes	
MFMA	PROV.							0		0	0								finished	Yes	
ALOE PROD	PROV.	180				0		2	3			66	0							Yes	
MAP	TREASURY			300				49	0		26	9	80							Yes	
LIBRARY	PROV.			86						6	7	20	20							Yes	
TOURISM	DISTRICT			37						10	19	8	3							Yes	
PROJ. CONS.	PROV.							100	0			0							finished	Yes	
PROJ. CONS.	PROV.							0	0	0		1	8							Yes	
PROJ. CONS.	PROV.							14	14	25	0	0	0						finished	Yes	
PROJ. CONS.	PROV.							0	5		1		0						finished	Yes	
MIIP	PROV.	0						0			0									Yes	
REDS	PROV.	0							0		132									Yes	
		304	0	1818	170	207	139	451	461	318	626	513	575	0	0	0	0	0			

This excluded Equitable Share.